



State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF STATE LANDS AND FORESTRY

Norman H. Bangerter  
Governor

Dee C. Hansen  
Executive Director

Richard J. Mitchell  
Division Director

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3 Triad Center, Suite 400  
Salt Lake City, Utah 84180-1204  
801-538-5508  
801-355-0922 (Fax)

DOGM  
MINERALS PROGRAM  
FILE COPY

M/047/013

MEMORANDUM

RECD 1/13/93  
BY DOGM  
aay

TO: TONY GALLEGOS  
FROM: JOHN T. BLAKE  
SUBJECT: BONDS IN EFFECT WITH DSLF FOR ZIEGLER C&M CORP.  
DATE: JANUARY 13, 1993

Surety, \_\_\_\_\_ \$5,000 Traveler's Indemnity Co.  
State Lease ML20776 8-A Mine.

Surety \_\_\_\_\_ \$5,000 Traveler's Indemnity Co.  
State Leases ML20781, ML20781, ML851-A Cottonwood Mine, I-5 Mine

Surety \_\_\_\_\_ \$5,000 Hartford Accident & Indemnity Co.  
State Lease ML851-A I-5 Mine

Surety \_\_\_\_\_ \$7,500 Amwest Surety Insurance Co.  
State Leases ML19868, ML20779 Cottonwood #3 Mine

7008





STATE OF UTAH  
BOND OF LESSEE

KNOW ALL MEN BY THESE PRESENTS, that we Ziegler Chemical & Mineral Corp.  
of Great Neck, N.Y. 11021 (Address)  
as principal and Hartford Accident & Indemnity Company, as surety, are held  
and firmly bound unto the State of Utah in the sum of FIVE THOUSAND AND 00/100-----  
Dollars (\$5,000.00) lawful money of the United States to be paid to the Board of State  
Lands, as agent for the State of Utah, for the use and benefit of the State of Utah, and  
of any patentee or purchaser of any portion of the land covered by the hereinafter  
described lease heretofore sold or which may hereafter be sold with a reservation of the  
minerals to the State of Utah, on the surface or of other mineral deposits of any portion  
of such lands, for which payment, will and truly to be made, we bind ourselves, and each  
of us, and each of our heirs, executors, administrators, successors, sublessees, and  
assignees, jointly and severally by these presents.

Signed with our hands and seals this 19th day of February  
in the year of our Lord, 1985.

The condition of the foregoing obligation is such that,

WHEREAS, the State of Utah, as lessor, issued a Gilsonite  
lease, Lease Number ML-851A, and dated \_\_\_\_\_ to  
American Gilsonite Company as lessee (and said lease has been duly  
assigned under date of Apr. 24, 1978 to Ziegler Chemical  
& Mineral Corp.) to drill for, mine, extract and remove all of the  
Gilsonite deposits in and under the  
following described lands to-wit:

Lease No. 851A (Gilsonite) Unitah County, SW 1/4, SW1/4, NW 1/4, NE 1/4, E 1/2, SE 1/4,  
SE 1/4, NE 1/4, NW 1/4 Section Sixteen (16), Nine (9) South, Range Twenty-Four (24) East,  
Salt Lake Meridian.

I-5

NOW, THEREFORE, the principal shall be obligated to pay all monies, rentals, royal-  
ties, costs of reclamation, damages to the surface and improvements thereon and any other  
costs which arise by operation of the above-described lease(s) accruing to the lessor and  
shall fully comply with all other terms and conditions of said lease, the rules, regula-  
tions, and policies relating thereto of the Board of State Lands, Division of State  
Lands, the Board of Oil, Gas, and Mining and the Division of Oil, Gas, and Mining as they  
now exist or may from time to time be modified or amended. This obligation is in effect  
even if the principal has conveyed part of its leasehold interest to a sublessee or sub-  
lessees. If the principal fully satisfies the above-described obligations, then the  
surety's obligation to make payment to the State of Utah is void and of no effect, other-  
wise, it shall remain in full force and effect until released by the Division of State  
Lands.

Ziegler Chemical & Mineral Corp.

Signed, sealed and delivered  
in the presence of

By (Signature) (SEAL)  
Principal

BONDING COMPANY: HARTFORD ACCIDENT & INDEMNITY COMPANY  
BY: Mary Burke  
Mary Burke-Attorney In Fact

Attest: \_\_\_\_\_

Resident Agent: \_\_\_\_\_

Bonding Co. Address: 99 Sunnyside Blvd. Ext.  
Woodbury, New York

Corporate Seal of Bonding Company must be affixed.

Approved as to form and execution:



STATE OF UTAH  
BOND OF LESSEE

KNOW ALL MEN BY THESE PRESENTS, that we Ziegler Chemical & Mineral Corp.  
170-180 Great Neck Rd., Great Neck, NY as principal and THE TRAVELERS INDEMNITY COMPANY  
as surety, are held and firmly bound unto the State of Utah in the sum  
of FIVE THOUSAND AND NO/100 Dollars (\$ 5,000.00 - -) lawful money of  
the United States to be paid to the State Land Board, as agent for the State of Utah, for  
the use and benefit of the State of Utah, and of any patentee or purchaser of any portion  
of the land covered by the hereinafter described lease heretofore sold or which may  
hereafter be sold with a reservation of the minerals to the State of Utah, on the surface  
or of other mineral deposits of any portion of such lands, for which payment will and  
truly to be made, we bind ourselves, and each of us, and each of our heirs, executors,  
administrators, successors, and assigns, jointly and severally by these presents.

Signed with our hands and seals this 15th day of September, in the  
year of our Lord, 1980.

The condition of the foregoing obligation is such that,

WHEREAS, the State of Utah, as lessor, issued an \_\_\_\_\_ to Ziegler Chemical &  
lease, Lease Numbers ML20435, ML20776, and dated \_\_\_\_\_  
Mineral Corp. as lessee (and said lease has been duly assigned under date of \_\_\_\_\_  
to \_\_\_\_\_) to drill for,  
mine, extract and remove all of the Gilsonite  
deposits in and under the following described lands to-wit:  
I-4 (ML20435) and 8-A (ML-20776) County of Uintah County

*NO MINE EXISTS HERE  
I-4 IS ON PRIVATE LAND.  
IT WAS A PROPOSED MINING  
AREA ONLY, BUT NEVER MATERIALIZED.*

NOW, THEREFORE, if said principal shall pay all moneys, rentals, and royalties accruing  
to the lessor under the terms of the above described lease, and shall fully comply with  
all other terms and conditions of said lease, the rules and regulations relating thereto  
established by the State Land Board, and the rules and regulations governing operating  
procedures, abandonment, and conservations practices promulgated by the Utah State Oil  
and Gas Conservation Commission as they now exist or may from time to time be modified  
or amended, and shall pay all damages to the surface and improvements thereon, then the  
above obligation shall be void and of no effect, otherwise to remain in full force and  
effect.

Signed, sealed and delivered  
in the presence of

Thomas D. Balle

Witness

Janet B. Hansen

Witness

Ziegler Chemical & Mineral Corp.

By: [Signature] (SEAL)  
Principal Pres

BONDING COMPANY - THE TRAVELERS INDEMNITY COMPANY  
BY: Mary Carroll  
Mary Carroll: Attorney-in-Fact

~~Attest:~~ M. Lombardiella  
Witness as to Surety

Resident Agent: \_\_\_\_\_

Bonding Co. Address: 80 John Street  
New York, New York 10038

Corporate Seal of Bonding Company must  
be affixed.

Approved as to form and execution:

ROBERT B. HANSEN, ATTORNEY GENERAL



STATE OF UTAH  
BOND OF LESSEE

KNOW ALL MEN BY THESE PRESENTS, that we ZIEGLER CHEMICAL & MINERAL CORP.  
of 100 Jericho Quadrangle, Jericho, NY 11753 as principal and  
AMWEST SURETY INSURANCE COMPANY as surety, are held and firmly bound  
unto the State of Utah in the sum of SEVEN THOUSAND Dollars (\$ 7,500.00) lawful money of the United States  
to be paid to the Board of State Lands and Forestry, as agent for the State of Utah, for the use and benefit of the State  
of Utah, and of any patentee or purchaser of any portion of the land covered by the hereinafter described lease heretofore  
sold or which may hereafter be sold with a reservation to the State of Utah, on the surface or of other mineral deposits  
of any portion of such lands, for which payment, will and truly to be made, we bind ourselves, and each of us, and each  
of our heirs, executors, administrators, successors, sublessees, and assignees, jointly and severally by these presents.

Signed with our hands and seals this 17th day of August in the year of our Lord, 1992.

The condition of the foregoing obligation is such that,

WHEREAS, The State of Utah, as Lessor, issued a(n) gilsonite  
lease, Lease Number 20779 & 19868 and dated 7/31/63 and 01/08/63, to Ziegler Chemical  
& Mineral Corp. as lessee (and said lease has been duly assigned under date of \_\_\_\_\_  
to \_\_\_\_\_) to drill for, mine, extract, and remove all of the gilsonite  
deposits in and under the following described lands to wit:

Section 29: Township 10 South, Range 21 East, SLB&M:  
S 1/2 NW 1/4, NE 1/4 SW 1/4

C-3

Section 30: Township 10 South, Range 21 East, SLB&M:  
SE 1/4 NE 1/4, N 1/2 NE, N 1/2 NW 1/4

NOW, THEREFORE, THE principal shall be obligated to pay all monies, rentals, royalties, cost of reclamation,  
damages to the surface and improvements thereon and any other costs which arise by operation of the above described  
lease(s) accruing to the Lessor and shall fully comply with all other terms and conditions of said lease, the rules,  
regulations, and policies relating thereto of the Board of State Lands and Forestry, Division of State Lands and Forestry,  
the Board of Oil, Gas and Mining, and the Division of Oil, Gas and Mining as they may now exist or may from time  
to time be modified or amended. This obligation is in effect even if the principal has conveyed part of the purchase  
agreement interest to a successor in interest. If the principal fully satisfies the above described obligations, then the  
surety's obligation to make payment to the State of Utah is void and of no effect, otherwise, it shall remain in full force  
and effect until released by the Division of State Lands and Forestry.

Signed, sealed and delivered  
in the presence of

William J. Hyman  
Witness

Rosa R. Gargallo  
Witness

[Signature]  
ZIEGLER CHEMICAL & MINERAL CORP. (SEAL)  
Principal

BONDING COMPANY AMWEST SURETY INSURANCE COMPANY  
BY [Signature]  
Anthony Panno, Attorney-in-fact  
Attest: \_\_\_\_\_

Resident Agent: \_\_\_\_\_

APPROVED AS TO FORM:  
R. PAUL VAN DAM  
ATTORNEY GENERAL

Bonding Co. Address: 130 JOHN STREET  
NEW YORK, NEW YORK 10038  
Corporate Seal of Bonding Company Must be Affixed.

By [Signature]



STATE OF UTAH  
BOND OF LESSEE

KNOW ALL MEN BY THESE PRESENTS, that we ZIEGLER CHEMICAL + MINERAL  
CORP. of GREAT NECK, NEW YORK, 11021 (Address)  
as principal and TRAVELERS INDEMNITY COMPANY, as surety, are held  
and firmly bound unto the State of Utah in the sum of FIVE THOUSAND  
Dollars (\$5,000.00) lawful money of the United States to be paid to the Board of State  
Lands, as agent for the State of Utah, for the use and benefit of the State of Utah, and  
of any patentee or purchaser of any portion of the land covered by the hereinafter  
described lease heretofore sold or which may hereafter be sold with a reservation of the  
minerals to the State of Utah, on the surface or of other mineral deposits of any portion  
of such lands, for which payment, will and truly to be made, we bind ourselves, and each  
of us, and each of our heirs, executors, administrators, successors, sublessees, and  
assignees, jointly and severally by these presents.

Signed with our hands and seals this 22nd day of January  
in the year of our Lord, 1982.

The condition of the foregoing obligation is such that,

WHEREAS, the State of Utah, as lessor, issued a GILSONITE  
lease, Lease Number ML 20780, and dated JULY 31, 1963 to  
WILLIAM J. COLMAN as lessee (and said lease has been duly  
assigned under date of NOV. 29, 1963 to ZIEGLER CHEMICAL  
+ MINERAL CORP.) to drill for, mine, extract and remove all of the  
GILSONITE deposits in and under the  
following described lands to-wit:

Lease No. ML-20780 (Gilsonite) Uintah County, North Half (N½) of Southeast  
Quarter (SE¼) of Section Twenty-nine (29), Township Ten (10) South, Range  
Twenty-one (21) East, Salt Lake Meridian

NOW, THEREFORE, the principal shall be obligated to pay all monies, rentals, royal-  
ties, costs of reclamation, damages to the surface and improvements thereon and any other  
costs which arise by operation of the above-described lease(s) accruing to the lessor and  
shall fully comply with all other terms and conditions of said lease, the rules, regula-  
tions, and policies relating thereto of the Board of State Lands, Division of State  
Lands, the Board of Oil, Gas, and Mining and the Division of Oil, Gas, and Mining as they  
now exist or may from time to time be modified or amended. This obligation is in effect  
even if the principal has conveyed part of its leasehold interest to a sublessee or sub-  
lessees. If the principal fully satisfies the above-described obligations, then the  
surety's obligation to make payment to the State of Utah is void and of no effect, other-  
wise, it shall remain in full force and effect until released by the Division of State  
Lands.

Ziegler Chemical & Mineral Corp.

Signed, sealed and delivered  
in the presence of

Carla Carter  
Witness

By: [Signature] (SEAL)  
Principal Pres.

BONDING COMPANY: THE TRAVELERS INDEMNITY COMPANY

BY: M. Gambardella  
M. Gambardella, Attorney-in-Fact

Attest: \_\_\_\_\_

Resident Agent: \_\_\_\_\_

Bonding Co. Address: 80 John Street  
New York, New York 10038

Corporate Seal of Bonding Company must be affixed.





# THE TRAVELERS

## CHANGE RIDER

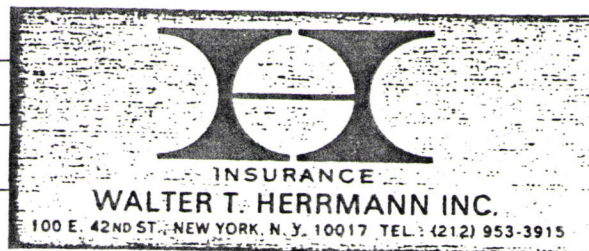
BOND NO.	ON BEHALF OF <b>Ziegler Chemical &amp; Mineral Corp.</b>	
DATE OF BOND <b>1/22/82</b>	IN FAVOR OF <b>State of Utah</b>	
ADDITIONAL PREMIUM \$ ---	RETURN PREMIUM \$ ---	EFFECTIVE DATE OF CHANGE <b>January 1, 1985</b>

This rider is to be attached to and form a part of the above described bond.

In consideration of the additional or return premium shown above the Principal and their surety hereby gives its consent to include

"Lease No. MC 851A Independent Vein Section 16R 24 East, and

T9 South."



Provided, however, that the aggregate liability of the surety for any one or more losses occurring prior to the effective date of change shall not exceed \$5,000.00, or for any one or more losses occurring after said date exceed \$5,000.00. It is further understood that in no event shall the surety's liability be cumulative.

Signed and dated on January 9, 1985  
(Month, day, year)

ZIEGLER CHEMICAL & MINERAL CORP.

By: [Signature]

THE TRAVELERS INDEMNITY COMPANY

By Bella Fernandes  
(Attorney in fact)  
Bella Fernandes:

Accepted

By \_\_\_\_\_



# THE TRAVELERS

## CHANGE RIDER

BOND NO.	ON BEHALF OF <b>Ziegler Chemical &amp; Mineral Corp.</b>	
DATE OF BOND <b>1/22/82</b>	IN FAVOR OF <b>State of Utah</b>	
ADDITIONAL PREMIUM \$ - - -	RETURN PREMIUM \$ - - -	EFFECTIVE DATE OF CHANGE <b>11/8/84</b>

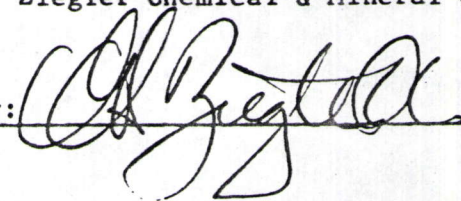
This rider is to be attached to and form a part of the above described bond.

In consideration of the additional or return premium shown above the surety hereby gives its consent to include  
the following "Lease No. **ML-20781** (Gilsonite) Uintah County, North Half (N $\frac{1}{2}$ ) of  
**Southeast Quarter (SE $\frac{1}{4}$ )** of Section Twenty-nine (29), Township Ten (10) South,  
**Range Twenty-One (21) East, Salt Lake Meridian "**

Provided, however, that the aggregate liability of the surety for any one or more losses occurring prior to the effective date of change shall not exceed 5,000.00, or for any one or more losses occurring after said date exceed 5,000.00. It is further understood that in no event shall the surety's liability be cumulative.

**Ziegler Chemical & Mineral Corp.**

Signed and dated on November 8, 1984  
(Month, day, year)

By: 

THE TRAVELERS INDEMNITY COMPANY

Accepted

By Bella Fernandes  
Bella Fernandes, (Attorney in fact)

By \_\_\_\_\_